

## CHAPTER 18.

### PRIVATE SECURITY AND INVESTIGATION AGENCIES

#### **SECTION 40-18-20.** Definitions.

As used in this chapter, unless the context otherwise requires, the term:

(A) “Private investigation business” means engaging in business or accepting employment to obtain or furnish information with reference to the:

(1) identity, habits, conduct, business, occupation, honesty, integrity, credibility, knowledge, trustworthiness, efficiency, loyalty, activity, movement, whereabouts, affiliations, associations, transactions, acts, reputation, or character of a person;

(2) location, disposition, or recovery of lost or stolen property;

(3) cause or responsibility for fires, libels, losses, accidents, damage, or injury to persons or property; or

(4) securing of evidence to be used in a criminal or civil proceeding, or before a board, an administrative agency, an officer, or investigating committee.

(B) “Security business” means the provision of personnel whose duties include watching over, protecting, or defending people or property against intrusion, damage, injury, or loss, and specifically includes, but is not limited to, the following authorities or responsibilities: to allow or refuse access to property or certain areas of property; detect, prevent, or report entry by unauthorized persons; observe for and react to hazards or hazardous situations; observe for and react to violations of law or policy; observe for and react to emergencies; observe for and react to thefts or other incidents; apprehend or report intruders or trespassers; and maintain order or discipline.

(1) “Contract security business” means engaging in the security business by providing private patrol, watchman, guard, security, or bodyguard service for a fee.

(2) “Proprietary security business” means employing security officers who are assigned to security duties on the employer’s property.

(C) “Security officer” means a person who provides security service by performing any security function, as detailed in this chapter.

(D) “SLED” means the South Carolina Law Enforcement Division.

(E) “Uniform” means clothing displaying a badge, emblem, insignia, indicia, or print identifying the wearer as a security officer.

#### **SECTION 40-18-30.** Powers and duties of South Carolina Law Enforcement Division (SLED).

(A) The Chief of SLED has the following powers and duties as they relate to the practice of security businesses:

(1) to determine the qualifications of applicants for licenses or registration under this chapter;

(2) to promulgate regulations necessary to carry out this chapter;

(3) to investigate alleged violations of this chapter and regulations promulgated by SLED;

(4) to establish and enforce standards governing the safety and conduct of persons licensed and registered under this chapter;

(5) to provide, with the advice and consent of the South Carolina Criminal Justice Academy Division of the Department of Public Safety, for the curriculum, training, and certification of training officers, and to approve the curriculum utilized by licensees for the training of their security officers to ensure that security officers have the requisite knowledge and skills necessary to carry out their duties in the private security business. The fee for the training of security company training officers must be determined by the designated training facility and be retained by the facility to defray the costs of conducting the training; and

(6) to certify and register company training officers.

(B) The Chief of SLED has the following powers and duties as they relate to the practice of private investigation businesses:

- (1) to determine the eligibility of applicants for licenses and registration under this chapter;
  - (2) to investigate alleged violations of this chapter and regulations promulgated by SLED;
  - (3) to promulgate regulations necessary to carry out this chapter; and
  - (4) to require training necessary to provide for competent delivery of services to the public;
- (C) SLED must keep a record of all information received from other states and the United States Department of Justice pertaining to criminal identification systems. SLED must cooperate with other jurisdictions in criminal identification.
- (D) Fingerprint cards submitted to SLED pursuant to Sections 40-18-50, 40-18-60, 40-18-70, and 40-18-100 must be submitted by SLED to the Federal Bureau of Investigation to facilitate a national criminal records check of the applicant.

**SECTION 40-18-40.** Licenses to operate security or private investigation business; transferability; surrender on termination of business or change of ownership.

Licenses to operate security or private investigation businesses are the property of SLED and are not transferable. Licenses must be surrendered immediately to SLED upon the termination of a business or upon a change of ownership, possession, or control of a corporation or business entity. The transfer of twenty-five percent or more of corporate stock is considered a change in ownership.

**SECTION 40-18-50.** Contract security business license; application; bond; renewal; qualifications of licensees; display of license; arrest of licensee; exemptions.

(A) Any person engaged in the contract security business in an individual, self-employed capacity, or as an officer or principal of a corporation, or who furnishes security officers for a fee must make application in writing to SLED for a contract security business license and pay an annual license fee which must be set by regulation.

(1) If the applicant company is an association or corporation, the chief executive officer of the association or corporation must be the applicant or must designate in writing the corporate officer or principal who is the applicant.

(2) If the applicant company is a partnership, each partner must complete an application form.

(3) The application for license must be made, under oath, on a form approved by SLED. The application must state the applicant's full name, age, date and place of birth, current residence address, residence addresses for the past ten years, employment for the past ten years, including names and addresses of employers, the applicant's current occupation, including the name and address of the current employer, the date and place of any arrests, any convictions for violations of federal or state laws, and any additional information SLED may require. Each applicant must submit with the application one complete set of the applicant's fingerprints on forms specified and furnished by SLED and one color photograph of the applicant's full face, without head covering, taken within six months of the application.

(B) The applicant must post a ten thousand dollar bond with SLED in a form approved by the Attorney General in favor of the State. The bond must be issued by a surety insurer licensed to transact surety insurance in this State. The surety on the bond may cancel the bond upon giving thirty days' notice to SLED, and the surety is relieved of liability for a breach of condition after the effective date of the cancellation.

(C) SLED must grant a license to the applicant to conduct the security business stated in the application upon satisfaction of the competency and integrity of an applicant, or, if the applicant is an officer of an association, partnership, or corporation, upon satisfaction of the competency and integrity of any officers, principals, and partners. Licensure is for one year and application for renewal must be on a form approved by SLED. Issuance of the license authorizes establishment by the licensee of the number of branch offices the licensee considers feasible.

(D) SLED may grant a license to a person who:

- (1) is at least twenty-one years of age;
- (2) has a high school diploma or equivalent;
- (3) is a citizen of the United States;
- (4) has not been convicted of a felony or crime involving moral turpitude;
- (5) is of good moral character;
- (6) has not been discharged from military service with other than an honorable discharge;
- (7) does not unlawfully use drugs;
- (8) does not use alcohol to such a degree as to affect adversely his ability to perform competently the duties of a security company licensee, has not been adjudicated an incapacitated person without being restored to legal competency, and who has no physical or mental impairment which would prevent him from competently performing the duties of a security company licensee;
- (9) has satisfied SLED that the applicant security business has or will have a competent certified training officer and an adequate training program with a curriculum approved by SLED, or that adequate training will be obtained from another approved source;
- (10) has had at least two years of experience as a supervisor or administrator in industrial security with a licensed security business, a security program approved by SLED, or as a sworn member of a federal, state, county, or municipal law enforcement agency; and
- (11) meets other qualifications SLED may establish by regulation.

(E) Immediately upon the receipt of the license certificate issued by SLED pursuant to this chapter, the licensee must post and at all times display the license in a conspicuous place at his place of business. A copy or duplicate of the license certificate must be conspicuously posted at each branch office. The licensee must immediately notify SLED of the address of each branch office opened or closed.

(F) Licensees must make business records available for inspection during normal business hours. The Chief of SLED or his designee may conduct inspections as necessary to ensure compliance with this chapter and SLED regulations.

(G) A licensee who is arrested must report the custodial arrest to SLED within seventy-two hours of the arrest.

(H) A person is exempt from the provisions of this section if he receives compensation for private employment on an individual, independent contractor basis as a patrolman, guard, or watchman and if he has full-time employment as a law enforcement officer with a state, county, or municipal law enforcement agency. For this exemption to be valid, the person must not be employed by another law enforcement officer.

(I) A person is exempt from the provisions in this section if:

- (1) the person is employed solely as a nonuniformed, unarmed fire watchman, gatekeeper, or security officer;
- (2) the person is without delegated or assigned arrest authority; and
- (3) the employer is not a private investigation or security business.

**SECTION 40-18-60.** Proprietary security business license; applications; qualifications of licensee; display of license; renewal; inspection of employment records; exemptions.

(A) An employer who utilizes a person who is armed, uniformed, or has been delegated arrest authority for work on the employer's premises in connection with the affairs of the employer must make application to SLED for a proprietary security business license and pay an annual license fee, set by SLED regulation.

(1) If the applicant is an association or corporation, the chief executive officer of the association or corporation must be the applicant or must designate in writing the corporate officer or principal who is the applicant.

(2) If the applicant is a partnership, all partners must complete an application form.

(3) The application for license must be made, under oath, on a form approved by SLED. The application must state the applicant's full name, age, date and place of birth, current residence address, residence addresses for the past ten years, employment for the past ten years, including names and addresses of employers, the applicant's current occupation with the name and address of the current employer, the date and place of any arrests, any convictions for violations of federal or state laws, and any additional information as SLED may require. Each applicant must submit with the application one complete set of the applicant's fingerprints on forms specified and furnished by SLED and one color photograph of the applicant's full face, without head covering, taken within six months of the application.

(B) SLED may grant a license to a person who:

- (1) is at least twenty-one years of age;
- (2) has a high school diploma or equivalent;
- (3) is a citizen of the United States;
- (4) has not been convicted of a felony or crime involving moral turpitude;
- (5) is of good moral character;
- (6) has not been discharged from military service with other than an honorable discharge;
- (7) does not unlawfully use drugs;
- (8) does not use alcohol to such a degree as to affect adversely his ability to perform competently the duties of a security company licensee, has not been adjudicated an incapacitated person without being restored to legal competency, and who has no physical or mental impairment which would prevent him from competently performing the duties of a security company licensee;
- (9) has satisfied SLED that the applicant and company are financially responsible;
- (10) has satisfied SLED that the person or company has or will have a competent, certified training officer and an adequate training program with a curriculum approved by SLED, or that adequate training will be obtained from another approved source; and
- (11) has met other qualifications SLED may establish by regulation.

(C) SLED must grant a license to the applicant to employ security officers upon satisfaction of the competency and integrity of an applicant, or, if the applicant is an officer of an association, partnership, or corporation, upon satisfaction of the competency and integrity of the officers and principals.

(D) Immediately upon receipt of a license, the licensee must post and at all times display the license in a conspicuous location at his place of business and at each location where security personnel are posted.

(E) Issuance of the license authorizes the licensee to post persons performing the duties of security officers at each location of company property owned by the licensee. The licensee must immediately notify SLED of the address of each site where security officers are assigned and where assignments are discontinued.

(F) Licensure is for one year and application for renewal must be on a form approved by SLED.

(G) A licensee who is arrested must report the custodial arrest to SLED within seventy-two hours of the arrest.

(H) Licensees must make employment records available for inspection during normal business hours. The Chief of SLED or his designee may conduct inspections as necessary to ensure compliance with this chapter and SLED regulations.

(I) A person is exempt from the provisions of this section if he receives compensation for private employment on an individual, independent contractor basis as a patrolman, guard, or watchman and if he has full-time employment as a law enforcement officer with a state, county, or municipal law enforcement agency. For this exemption to be valid, the person must not be employed by another law enforcement officer.

(J) A person is exempt from the provisions of this section if:

- (1) the person is employed solely as a nonuniformed, unarmed fire watchman, gatekeeper, or security officer;
- (2) the person is without delegated or assigned arrest authority; and
- (3) the employer is not a private investigation or security business.

**SECTION 40-18-70.** Private Investigation License; applications; bond; renewal; display of license; qualifications of licensee; contract; reports to clients; arrest of licensee; inspections of business records; prior licensees.

(A) A person who desires to operate a private investigation business in this State must apply for a Private Investigation License from SLED and pay an annual license fee which must be set by SLED regulation.

(1) If the applicant is an association or corporation, the chief executive officer of the association or corporation must be the applicant or must designate in writing the corporate officer or principal who is the applicant.

(2) If the applicant is a partnership, all partners must complete an application form.

(3) The application for license must be made, under oath, on a form approved by SLED. The application must state the applicant's full name, age, date and place of birth, current residence address, residence addresses for the past ten years, employment for the past ten years, including names and addresses of employers, the applicant's current occupation with the name and address of the current employer, the date and place of any arrests, any convictions for violations of federal or state laws, excluding traffic violations, and any additional information as SLED requires. Each applicant must submit with the application one complete set of the applicant's fingerprints on forms specified and furnished by SLED and one color photograph of the applicant's full face, without head covering, taken within six months of the application.

(B) The applicant must post a ten thousand dollar bond with SLED in a form approved by the Attorney General in favor of the State. The bond must be issued by a surety insurer licensed to transact surety insurance in this State. The surety on the bond may cancel the bond upon giving thirty days' notice to SLED and is relieved of liability for a breach of condition after the effective date of cancellation.

(C) Upon receiving the application, bond, and license fee and upon satisfaction after investigation of the competency and integrity and qualifications of the applicant, SLED must grant a license to the applicant to conduct the private investigation business stated in the application. Licensure is for one year and application for renewal must be on a form approved by SLED. The initial and annual renewal license fee for conducting a private investigation business must be set by regulation.

(D) Issuance of a license authorizes the licensee to engage in the private investigation business and to operate branch offices. Immediately upon receipt of the license certificate issued by SLED pursuant to this chapter, the licensee must post and at all times display the license in a conspicuous place at his primary place of business. A copy or duplicate of the license certificate must be conspicuously posted at each branch office. The licensee must immediately notify SLED of the address of each branch office opened or closed.

(E) SLED may issue a license to a person who:

(1) is at least twenty-one years of age;

(2) has a high school diploma or equivalent;

(3) is a citizen of the United States;

(4) has not been convicted of a felony or a crime involving moral turpitude;

(5) is of good moral character;

(6) does not unlawfully use drugs;

(7) does not use alcohol to such a degree as to affect adversely his ability to perform competently the duties of a private investigator, has not been adjudicated an incapacitated person without being restored to legal competency, and who has no physical or mental impairment which would prevent him from competently performing the duties of a private investigator;

(8) has not been discharged from the military service with other than an honorable discharge;

(9) has at least three years' experience:

(a) as a private investigator employed by a licensed private investigation agency;

(b) as an investigator for a law firm, a government agency, a private corporation, a nonprofit organization, or in a capacity that SLED determines has provided the requisite investigative experience; or

(c) as a sworn officer with a federal, state, county, or municipal law enforcement agency.

(F) A private investigator licensed under this chapter must, prior to commencement of services or investigation ordered by a client, secure a contract signed by the client and the private investigator, on a form approved by SLED, describing in detail the services to be provided, fees to be charged, and an understanding by both parties concerning delivery of the written report. A client may waive the right to a written contract by signing a form approved by SLED.

(G) A private investigator licensed under the provisions of this chapter must provide to each client, in compliance with the contract describing the investigation or other services, and within a reasonable time of the conclusion of contracted work, a written report accurately detailing hours worked, activities accounting for time charged, and results of an investigation. This requirement is satisfied if the private investigator maintains in his files a waiver of written report signed by a client.

(H) A private investigator licensed under the provisions of this chapter must maintain for a period of three years copies of all written service contracts and investigation reports.

(I) Evidence of criminal activity discovered by a licensed or registered private investigator must be immediately reported to the Chief of SLED.

(J) A licensee who is arrested must report the custodial arrest to SLED within seventy-two hours of the arrest.

(K) Licensees must make business records available during normal business hours for inspection by the Chief of SLED or his designee.

(L) A person initially licensed as a private investigator before the effective date of this section, and who has maintained his license, is not required to meet the requirements contained in subsections (E)(1), (4), and (8).

**SECTION 40-18-80.** Security officer registration certificates; application; qualifications of applicants; report of arrests; exemptions.

(A) Persons performing the duties of security officers must also obtain valid security officer registration certificates. Except as provided in Section 40-18-90, a licensee may not authorize a person to perform the duties of a security officer unless that person holds a valid security officer registration certificate or has applied for a security officer registration certificate and meets the requirements of Section 40-18-80(A)(2). A contract or proprietary security business licensee must verify that each security officer immediately upon hiring possesses a valid security officer registration certificate or has applied for one. The licensee may apply and pay the fee for the security officer registration certificate or may require the person to be employed as a security officer to apply and pay the fee. For purposes of the penalties provisions of this chapter, the licensee and the person to be employed as a security officer are both responsible for ensuring that the person performing duties of a security officer is registered or has made application to be registered.

(1) The application must be made on forms approved by SLED and, under oath, the applicant must furnish the applicant's full name, age, date and place of birth, current residence address, residence addresses for the past ten years, employment for the past ten years, including names and addresses of employers, the applicant's current occupation with the name and address of the current employer, the date and place of any arrests, any convictions for violations of federal or state laws, and any additional information as SLED requires. The application must be accompanied by one set of fingerprints of the applicant and one photograph of the applicant in color, full face and without head covering, taken within six months prior to the application and certified results of a SLED-approved drug screen.

(2) Pending issuance of a registration certificate, a security officer may perform the duties of a security officer for up to twenty days after receipt by SLED of his application for registration; however, a person authorized to perform duties under this section has no arrest authority and must not carry a firearm until SLED issues a registration certificate. If SLED does not issue a registration certificate within twenty days of receipt of the application, a security officer must cease performing all security-related activities.

(3) Upon being satisfied of the suitability of the applicant for employment and the applicant's successful completion of an approved training program, SLED must register the employee and notify the licensee.

(4) SLED may issue or renew a registration certificate to a person who:

- (a) is employed by a licensed security business;
- (b) is at least eighteen years of age;
- (c) is a citizen of the United States;
- (d) has not been convicted of a felony or crime involving moral turpitude;
- (e) is of good moral character;
- (f) does not unlawfully use drugs;
- (g) does not use alcohol to such a degree as to affect adversely his ability to perform competently the duties of a security company licensee, has not been adjudicated an incapacitated person without being restored to legal competency, and who has no physical or mental impairment which would prevent him from competently performing the duties of a security company licensee;
- (h) has passed a SLED-approved pre-employment drug test;
- (i) has not been discharged from the military service with other than honorable conditions; and
- (j) has not been refused a license under this chapter for any reason other than minimum experience requirements and has not had a license under this chapter revoked or suspended.

(5) While on duty, a registered person must have his registration certificate in possession.

(6) A registered person who is arrested must report the arrest to SLED within seventy-two hours of the arrest.

(7) The licensee must notify SLED within ten days of the termination or hiring of a registered security officer.

(8) Registration is valid for one year; however, the registered person may perform the duties of a security officer only while employed by a person licensed under this chapter to provide security services or while working in a self-employed capacity provided that the officer is also a licensee.

(9) Application for renewal of registration must be made on a form approved by SLED.

(10) The initial and annual renewal registration fee for an employee registered in accordance with this section must be set by SLED by regulation.

(B) Within thirty days of the employment of a person who will perform the functions of a private investigator, a private investigator licensee, or the person to be employed as an investigator must make application to SLED for registration of the person to be employed as a private investigator. After thirty days, a licensee may not authorize a person to perform the duties of a private investigator unless that person holds a valid private investigator registration certificate or has applied for one. The licensee may apply and pay the fee for the private investigator registration certificate or may require the person to be employed as an investigator to apply and pay the fee. For purposes of the penalties provisions of this chapter, the licensee and the person to be employed as an investigator are both responsible for ensuring that the person performing duties of an investigator is registered or has made application to be registered.

(1) The application must be made under oath and must state the applicant's full name, age, date and place of birth, current residence address, residence addresses for the past ten years, employment for the past ten years, including names and addresses of employers, the applicant's current occupation with the name and address of the current employer, the date and place of any arrests, any convictions for violations of federal or state laws, and any additional information SLED may require. Each applicant must submit with the application one set of the applicant's fingerprints on forms specified and furnished by SLED and one color photograph of the applicant's full face, without head covering, taken within six months prior to the application.

(2) Pending issuance of a registration certificate, a person who does not possess a valid registration certificate must not perform the duties of a private investigator unless accompanied by a registered private investigator.

(3) SLED may issue a registration certificate to a person who:

- (a) has a high school diploma or its equivalent;
- (b) is at least eighteen years of age;
- (c) is a citizen of the United States;
- (d) has not been convicted of a felony or crime involving moral turpitude;

- (e) is of good moral character;
- (f) does not unlawfully use drugs;
- (g) does not use alcohol to such a degree as to affect adversely his ability to perform competently the duties of a private investigator, has not been adjudicated an incapacitated person without being restored to legal competency, and who has no physical or mental impairment which would prevent him from competently performing the duties of a private investigator; and
- (h) has not been discharged from the military service with other than honorable conditions.
- (4) Upon receiving the application, SLED must, after investigation sufficient to verify the applicant's eligibility, integrity, and suitable background, grant registration to the applicant and so notify the employer. The registration is for a period of one year. Applications for renewal must be on a form approved by SLED.
- (5) While performing the functions of a private investigator, a registered person must have his valid registration certificate or a copy in his possession.
- (6) A registration certificate expires upon the registered investigator's termination of employment and is nontransferable to a different employer. The employer of a registered investigator must notify SLED within ten days of the termination of employment of any registered employee.
- (7) Initial and renewal registration fees must be set by SLED by regulation.
- (C) A person registered as a private investigator who is arrested must report the custodial arrest to SLED within seventy-two hours of the arrest.
- (D) A person is exempt from the registration and licensing requirements of this section when the employer is not a private investigation business and the employee is exclusively employed by that employer. The exemption from registration and licensing requirements applies only to work performed for the exclusive employer. If the person, during the period of his exclusive employment, performs or is available to perform investigative work for a different employer or more than one employer, the person must obtain a private investigation license or registration pursuant to this section.

**SECTION 40-18-90.** Use of temporary employees for special event; notice of use; fees.

Notwithstanding any other provision of this chapter, a person who holds a security business license may use temporary employees for special events without registering the temporary employees if the temporary employment does not exceed ten days in a calendar year and the employees have no arrest authority and are not armed during the employment. The names, addresses, and birth dates of the temporary employees, along with the identity and date of the special event for which they are to be employed, must be furnished to SLED at least five days prior to the commencement of the special event, along with a fee of five dollars for each temporary employee.

**SECTION 40-18-100.** Security Weapons Permits; Security Concealed Weapons Permits.

- (A) SLED may grant a Security Weapons Permit to carry a particular type of firearm to a person who is at least twenty-one years of age, is eligible to possess firearms, and is licensed or registered as a security officer. Application for the permit must be made on forms approved by SLED and the fee must be set by SLED regulation. An applicant must submit with the application one complete set of the applicant's fingerprints on forms specified or furnished by SLED. Fingerprint cards submitted to SLED pursuant to this section must be used to facilitate a national criminal records check, as required by Section 40-18-30. The permit is for one year and application for renewal must be on a form approved by SLED. The permit renewal must specifically reauthorize the type of firearm to be used by the permittee.
- (B) No person may be issued a Security Weapons Permit and no permit may be renewed until the applicant or registered person has presented to SLED proof of proficiency, as determined by SLED, in the use of the type of firearm issued or authorized by his employer.



(C) A person issued a Security Weapons Permit in accordance with this section may only carry a firearm in an open and fully-exposed manner while in uniform and performing security duties or while in a vehicle enroute directly to or from a security post or place of assignment.

(D) SLED in its discretion may issue a Security Concealed Weapons Permit to a registered security officer to carry, whether concealed or not, a firearm about his person, even though he is not in uniform or on duty if SLED determines that the additional permit would enable the permittee to better perform his assigned duties. The authority conveyed by the permit may be restricted by SLED, and violation of these restrictions constitutes a violation of Section 40-18-130.

**SECTION 40-18-110.** Authority and arrest powers of those licensed or registered under chapter.

A person who is registered or licensed under this chapter and who is hired or employed to provide security services on specific property is granted the authority and arrest power given to sheriff's deputies. The security officer may arrest a person violating or charged with violating a criminal statute of this State but possesses the powers of arrest only on the property on which he is employed.

**SECTION 40-18-120.** Development of guidelines for reciprocal agreements with other states.

SLED may adopt guidelines which permit the Chief of SLED to enter into reciprocal agreements with other states for the recognition of registration certificates or licenses issued to security officers or private investigators in the reciprocal states.

**SECTION 40-18-130.** Denial, suspension, revocation or refusal to renew license or registration; grounds; appeals; civil penalties.

(A) SLED may deny, suspend, revoke, or refuse to renew a license or registration under this chapter upon finding that the applicant, licensee, or registered individual has:

- (1) made a false statement or given false information in connection with an application for or renewal or reinstatement of a license or registration;
- (2) made a false statement or given false information in connection with activities conducted pursuant to a license or registration issued under this chapter;
- (3) violated any provision of this chapter;
- (4) violated a regulation promulgated by SLED;
- (5) violated a permit restriction;
- (6) failed to cooperate with law enforcement agencies in the prosecution of a person arrested by a security officer on property where the security officer was working;
- (7) been convicted of or plead guilty to a crime since becoming licensed or registered, or been charged with a crime which would, upon conviction, disqualify the person for licensing or registration;
- (8) impersonated, permitted, or aided and abetted a person to impersonate a law enforcement officer or employee of the United States, this State or its political subdivision, or a municipal corporation since becoming licensed or registered;
- (9) engaged in or permitted an employee to engage in the private investigation business or private security business in violation of the provisions of this chapter;
- (10) willfully failed to render a client service as described in a written contract;
- (11) knowingly violated or advised, encouraged, or assisted the violation of a court order or injunction in the course of business;
- (12) committed an act which is a ground for denial of an application for license or registration under this chapter;
- (13) given legal advice or falsely represented himself as an attorney or the agent of an attorney;
- (14) issued, delivered, or uttered a simulation of process which might have led a person to believe that the simulation was a summons, warrant, writ, court process, or a pleading in a court proceeding;

(15) willfully obstructed an official investigation by a law enforcement officer; or  
(16) harassed or threatened a client or witness to prevent him from providing evidence in a legal proceeding or investigation.

(B) For violations of this chapter or any regulation pertaining to this chapter, SLED may, in its discretion, impose a civil monetary penalty upon the holder of a license or registration certificate in lieu of suspension or revocation. Security company and private investigator company licensees are subject to a monetary penalty of not less than twenty-five dollars nor more than one thousand dollars for each offense. Registered security officers and registered private investigators are subject to a penalty of not less than twenty-five dollars nor more than five hundred dollars for each offense. SLED may, in its discretion, accept an offer in compromise or suspend payment of a fine or a monetary penalty imposed under this section.

(C) The decision to deny, suspend, revoke, or refuse to renew a license or registration must be in writing, signed by the Chief of SLED or his designee, and must state the grounds upon which the decision is based. The licensee or registered individual may, within thirty days after receipt of the decision, appeal the decision to the Administrative Law Judge Division.

(D) If a monetary penalty imposed pursuant to this section is not paid or a hearing is not requested within thirty days of receipt of SLED's decision, SLED must revoke the license or registration certificate.

(E) A person must promptly surrender a license or registration certificate suspended or revoked under the provisions of this chapter.

(F) Pending suspension or revocation, no partner or person with a financial interest in the business may be issued a license for the business. No partner or person with a financial interest may be issued a license for the business for a period of one year after the date of suspension or revocation.

(G) A person whose license or registration certificate has been suspended or revoked is not eligible to receive a new license or registration for another location or business during the period of suspension or revocation.

(H) Notwithstanding any other provision of law, penalties paid pursuant to this section must be retained, expended, and carried forward by SLED to be applied to costs associated with regulation of the private security and private investigator businesses in this State.

#### **SECTION 40-18-140.** Exceptions from application of chapter.

This chapter does not apply to:

(1) an officer or employee of the federal government, or of this State or a political subdivision of either, or of a municipal corporation while the employee or officer is engaged in the performance of official duties;

(2) a person or firm engaged as a consumer reporting agency, as defined by the Federal Fair Credit Reporting Act, when gathering, processing, or reporting information directly related to a credit rating or credit status;

(3) an attorney-at-law while in the performance of his duties; or

(4) a person, as defined by Section 38-1-20(29), licensed or authorized by the Director of Insurance to transact business within the State, when performing duties directly related to that license or authorization.

#### **SECTION 40-18-150.** Violation of chapter as misdemeanor.

A person who violates a provision of this chapter is guilty of a misdemeanor and, upon conviction, must be fined not more than five thousand dollars or imprisoned for not more than one year, or both.